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ABSTRACT

State policies greatly affect the decisions rural districts make about building or renovating school facilities. State, federal, and local mechanisms for funding school facilities are briefly described. Some states require a specific percentage of growth or decline in student population or a minimum number of students as a prerequisite for funding. Such policies ignore the many diseconomies of large-scale facilities and often force consolidation of small rural schools. In many small rural districts, population loss erodes the tax base, and taxpayers are reluctant to pass bonds to build schools. Population growth can increase property tax income but may also compel the community to incur more debt to house new students. Policies that require substantial acreage for school facilities may force districts to select sites away from population centers, creating large schools dependent on buses and automobiles. Even if the land is donated, bringing infrastructure to the site can be expensive. Few states fund maintenance, so districts often defer needed work, resulting in costly repairs or loss of buildings. In several states, districts are ineligible for renovation funding if estimated costs exceed a specified portion of new construction costs. However, estimates may exclude the value of the existing buildings, land, infrastructure, and intangible assets such as status as a community hub. Some states require an approved facility design, but adapting a site to a plan instead of creating a plan for a site may incur excessive costs. Community participation in the planning of a school helps assure support and long-term investment in the facility. (Contains 11 references.) (TD)

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by

Barbara Kent Lawrence

December 2001

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Effects of State Policies on Facilities Planning and Construction in Rural Districts

Barbara Kent Lawrence

Rural districts face challenges in maintaining, renovating, and building school facilities. Policies governing this work can greatly affect funding, the size and location of school facilities, and interaction between schools and communities. Administrators, school boards, and communities considering facilities projects should review local and state policies to identify areas of flexibility and explore their options (Lawrence, 2002a). This Digest identifies significant facilities policies and ways they can affect rural schools and communities.

Condition of School Facilities in Rural Areas

Limited information is available on the condition of school facilities, and existing studies, though often quoted, are problematic. Some are now outdated and were based on data collected in ways that hindered comparisons (e.g., GAO, 1995, 1996). Others, though more recent, were based on data from a very small sample (Lewis et al., 2000); used estimated data for some states, not differentiating among urban, suburban, and rural districts (NEA, 2000); or as with American School and University's annual reports on maintenance and construction (Agron, 2001a, 2001b), grouped states by region, blurring the characteristics of rural, urban, and suburban schools.

That said, a review of existing reports suggests that schools in rural areas and small towns are in only slightly better condition than urban schools and that local economies affect their condition. In 1996 the GAO found that 51.7% of rural schools had at least one inadequate building feature. NCES reported that staff from 78% of rural schools expressed the need to spend money on repairs, renovations, and modernization. Rural schools were also more likely to report at least one environmental condition as unsatisfactory (Lewis et al., 2000, v, 17-18).

State and Federal Funding Mechanisms

State mechanisms for funding school facilities vary. Only two states (AZ & HI) fund 100% of school facilities projects at the state level. Eleven states offer no direct funding, while the remaining states fund through a variety of channels: flat grants, per pupil allocations, sliding scale grants or loans based on property wealth, or a basic needs formula. Some (e.g., SC) use several funding programs to give districts different ways to qualify.

In most states, the district is primarily responsible for funding facilities. The usual methods of raising money (property tax, bonds, lotteries, and federal leases) can have consequences for rural districts. For example, Georgia permits use of a local sales tax, but this option raises little revenue in those districts with few businesses (ECS, 1995).

In states that assign districts full funding responsibility, poor rural districts face daunting challenges. It is no coincidence that rural districts have taken a leading role in filing equity and adequacy suits based, in part, on the declining condition of school facilities (cf. AK, AZ, CO, NC, OH, WV).

Six states (AZ, DE, KY, NC, OH, WV) have separate centralized school facilities authorities. Most states, however, distribute funds through offices within their departments of education (Clarke, 2000). Though state officials may be eager to help rural communities, their ability to do so can be curtailed by state policy. For example, when the North Carolina legislature cut staffing in the state facilities office by about 50%, some urban districts with larger staffs were able to apply for funding more aggressively than their rural neighbors, who had relied on the state office for assistance.

Limited federal funding is available for new school facilities, largely from the Department of Agriculture's Office of Community Development and the Rural Economic Area Partnership. Two small Department of Education programs—the Emergency Repair and Renovation Grants and Qualified Zone Academy Bonds (QZAB)—help fund renovations. Both programs base their assistance on the number of students eligible for free or reduced lunch (see "Other Resources" at the end of this Digest). Although the Emergency Repair and Renovation program assures that rural districts receive a fair share of funds, QZAB funding in some states has gone disproportionately to urban districts.

State Policies Impacting School Facilities in Rural Districts

State policies can affect rural school facilities in several ways. Policies requiring a specific percentage of growth or decline in student population, or setting a minimum number of students as a prerequisite for funding, can negatively affect rural districts. For example, West Virginia requires elementary schools to house at least 300 students; high schools must have 800 (grades 9-12). Ohio schools must serve at least 350. Such policies, designed to achieve economies of scale, ignore the many diseconomies of large-scale facilities and often force consolidation of small rural schools (Lawrence, 2001). In Georgia, districts must demonstrate projected growth to qualify for some state facilities funding programs. In Alaska, a district with fewer than a certain number of students cannot build a full-size gymnasium.

Some states (VT, MT, WY) offer supplemental funding for rural and isolated schools. However, in many small rural districts, loss of population has eroded the local tax base, and taxpayers are reluctant to pass bonds to build schools.

Population influx, usually viewed as positive, can challenge rural schools. Growth can increase property tax income but compel the community to take on more debt to house new students. Some districts in rural North Carolina must use portable classrooms to accommodate children from military bases, as federal impact aid does not cover school facilities for these children.

State policies that require substantial acreage for school facilities may force districts to select sites away from population centers, promoting sprawl, occupying what was open or agricultural land, and creating large schools dependent on buses and automobiles. Even if the land is donated, bringing water, sewer, power, and roads to the site can be an expensive undertaking (Beaumont, 2000).

Maintenance is usually the largest—sometimes the only—discretionary item in a school budget. Few states fund maintenance, so districts often defer needed work, which can result in costly repairs or loss of buildings.

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Though a few states do fund maintenance, across the nation 2000 marked the fourth consecutive year that the percentage of school funding allocated for maintenance shrank (Agron, 2001b).

As schools deteriorate, districts must choose between renovation and new construction. The oft-quoted statistic that America's schools average 42 years of age is misleading because schools dating from the early 1900s were built to last at least 75 years, while those built later were not as well constructed. It may be wiser to renovate well-built older schools than newer ones. Quality of original construction, maintenance, and renovation are better criteria for decisions.

In several states, districts are ineligible for renovation funding if estimated costs exceed a specified portion of new construction costs, usually between 50% and 80% (Rubman, 2000; Lawrence, 2002b). However, estimates may exclude the value of the existing buildings, land, and infrastructure, as well as intangible assets (e.g., status as a community hub). Some states (MD, ME, PA, VT), now support renovation. In others, architects and members of the community have convinced officials to permit renovation despite exceeding the prescribed cost formula. Fine examples of updated facilities that preserve the character of school and community include the McClain School in Greenfield (OH) (Hawkins, 2000) and Thirman L. Milner School in Hartford (CT) (Uline, 2000).

Building codes and regulations may also limit choices. Surprisingly, departments of education may interpret these codes and regulations more stringently than the regulatory agencies. Decision makers should explore how the code applies and whether leeway can be granted (Beaumont, 2000).

Some states require an approved facility design. However, adapting a site to a plan instead of creating a plan for a site may incur excessive costs. And ignoring potential environmental benefits inherent in a site (such as natural lighting, heating, or cooling) increases long-term utility costs. Using locally available materials can reduce costs and give a building a local identity that is impossible in preapproved plans (Maine, 2000).

Community Involvement

Most state policies neither encourage or discourage community participation in planning school facilities, nor do they address ways communities can share use of the facilities. Local policy, stated or implicit, may determine how these occur. Yet, it is advisable to encourage community participation in planning a school facility and identifying ways the community can share in its use, particularly in rural places, where the school is often the largest public building. Designing with the community helps assure support and long-term investment in the facility. For valuable information see Schools as Centers of Community (Bingler & Quinn, 2000).

Conclusion

Policies greatly affect the decisions rural districts make about building or renovating school facilities. It is important that people involved with a school facilities project know the policies that pertain to their locality, assess their impact, and explore all options for creating a school that serves everyone in the community.

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Barbara Kent Lawrence directs the School-Community Facilities Network for the Rural School and Community Trust, http://www.ruraledu.org/facilities.html.

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